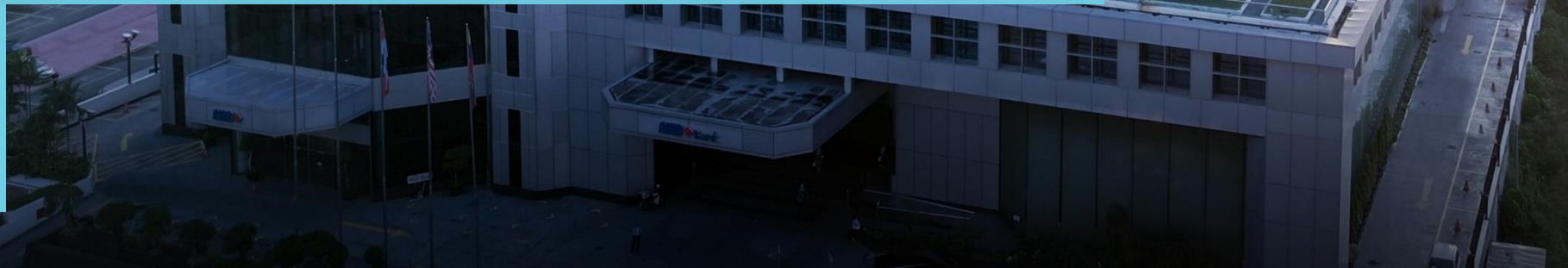


RHB BANK BERHAD

Sustainability Media Day

RHB's Net Zero Commitment and Strategy

18 April 2024



Agenda

1. RHB's Sustainability Overview
2. RHB's Commitment to Climate Action
3. Closing Remarks
4. Awards and Recognition



RHB's Sustainability Overview

Our sustainability journey started in 2016. We've achieved several milestones since then

Phase 1: 2016 to 2021 Building Foundations, Embedding Sustainability

Phase 2: 2022 onwards Driving Change, Creating Positive Impact

Strategy & Framework

2018 – Conducted 1st materiality assessment; Developed RHB Group's Sustainability Framework, Strategy and Key Focus Areas
2021 – Launched the Group Climate Action Programme (“GCAP”)

2022 – Embarked on RHB Group's 5-Year Sustainability Strategy and Roadmap (2022-2026), driven by the Group's 5 Sustainability KPIs

Sustainability Governance

2020 – Established Foundational Sustainability Governance
2021 – Established the Group Sustainability Committee (“GSC”)

2022 – Enhanced our governance by establishing the Board Sustainability Committee (“BSC”) – Appointed a Group Chief Sustainability Officer

Policies & Risk Management

2020 – Introduced General & Industry-specific ESG Risk Assessment Criteria
2021 – Issued RHB's Stance on Coal & No Deforestation, No Peat and No Exploitation (“NDPE”) Commitment

2022 – Issued the RHB Group ESG Eligible Business Activities Guidelines
2023 – Developed the RHB Supplier Code of Conduct – Established financed emissions baseline

Sustainable Financial Services

2019 – Established RHB's RM5 billion Green Financing Commitment
2021 – Launched the SME Sustainable Financing Programme

2023 – Delivered more than RM20 billion in Sustainable Financial Services – Revised the Group's 2026 Sustainable Financial Services Commitment from RM20 billion to RM50 billion

Reporting & Disclosure

2017 – Produced RHB's Inaugural Sustainability Report

2023 – Conducted Sustainability Assurance for RHB's Sustainability Report 2022 and RHB's Sustainability Report 2023

Advocacy & Partnerships

2019 – Appointed as a member of the Joint Committee on Climate Change (“JC3”)

2023 – Became a member of the United Nations Global Compact (“UNGC”) – Landmark collaboration with TNB to advance SMEs towards low-carbon practices – Co-hosted ESG roadshows with reputable trade associations e.g. Malaysia Retail Chain Association, Federation of Malaysian Manufacturers

RM50 billion in Sustainable Financial Services; driving green financial services to achieve Net Zero by 2050

In FY2023, we revised our Sustainable Financial Services Commitment from RM20 billion to RM50 billion by 2026. RHB's Net Zero by 2050 commitment also embedded as part of RHB Sustainability Strategy and Roadmap's core pillars.

SUSTAINABILITY PURPOSE

To be a sustainably responsible financial services provider by promoting sustainable & inclusive growth, nurturing customers, employees and communities, while upholding good governance to create value

OUR ASPIRATIONS

- Support sustainable development by mobilising RM50 billion in sustainable financial services by 2026
- Achieve carbon neutral operations by 2030

- Empower more than two million targeted individuals and businesses across ASEAN by 2026
- Achieve Net Zero by 2050



SUSTAINABLE & RESPONSIBLE FINANCE

Integrate ESG considerations into our business strategies and decision-making processes while nurturing customers and communities towards achieving sustainable growth

FOCUS AREAS

- Sustainable Financial Services
- Financial Inclusion
- Advancing SMEs Towards Sustainable Business Practices



COMMITTED TO ACHIEVING NET ZERO BY 2050

Accelerating the just and responsible transition to a low-carbon economy, guided by the Group's Net Zero by 2050 Strategy

FOCUS AREAS

- Reduction of Financed Emissions
- Driving Growth in Green Financial Services
- Integration of sustainable and low-carbon practices into our own operations



EMBEDDING GOOD PRACTICES

Foster responsible practices and nurture a sustainable culture within our organisation

FOCUS AREAS

- Ethics & Conduct
- People & Workplace
- Sustainable Supply Chain



ENRICHING & EMPOWERING COMMUNITIES

Create long-term positive impacts on the communities, nurturing children & young adults

FOCUS AREAS

- Nurturing Future Generations
- Empowering Communities

ENABLERS



GOVERNANCE



DATA & TECHNOLOGY



HUMAN CAPITAL & TRAINING



PARTNERSHIP & ADVOCACY



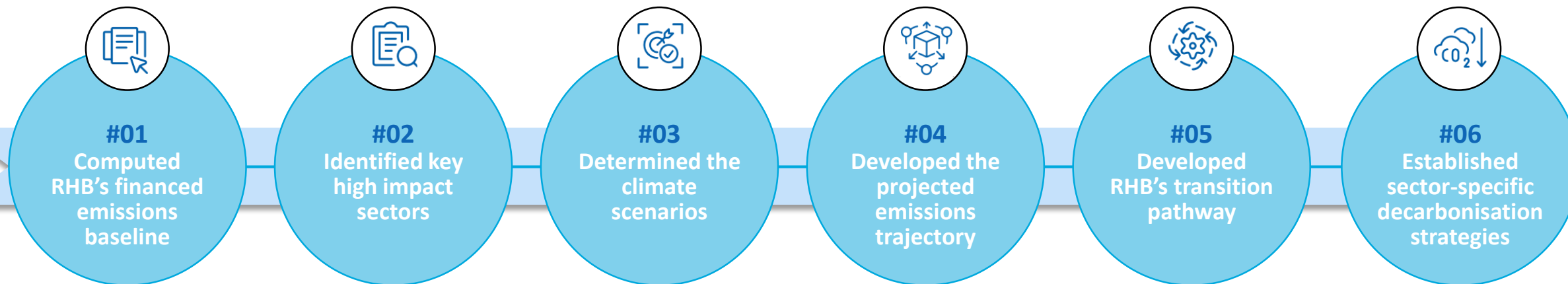
**RHB's Commitment to Climate
Action**



RHB Banking Group is Committed to Achieving Net Zero Emissions by 2050

Addressing both operational GHGs and financed emissions

In FY2023, we established our Financed emissions baseline



Calculated **RHB's emissions baseline** based on PCAF¹ methodology

Baseline covers all 7 PCAF asset classes and all sectors RHB is exposed to

Identified the Group's **5 high-impact sectors**

- Energy Supply
- Palm Oil
- Oil & Gas,
- Property & Construction
- Transport

Selected credible climate scenarios² to project RHB's emissions trajectory

Developed **sector-specific & aggregate emissions trajectories**, which are based on:

1. Financed emissions baseline
2. 5 identified high-impact sectors
3. Selected climate scenarios
4. Industry players' climate-related commitments
5. The Group's climate ambition

Developed RHB's **transition pathway to Net Zero**

Pathway is based on the projected sector-specific and aggregate emissions trajectory

Developed **sector-specific strategies** to facilitate the low-carbon transition for the five identified high-impact sectors

Established clear **interim and long-term targets** to achieve our overall Net Zero by 2050 commitment

Note:

1) Partnership for Carbon Accounting Financials

2) A projection of future climate conditions, including temperature, precipitation, wind, humidity, and more

*RHB's total Financed Emissions baseline
as at 31 Dec 2022*

9.26 MTCO₂e

*Financed emissions baseline for 5 High-Impact
Sectors as at 31 Dec 2022*

7.63 MTCO₂e

- *Covers all 7 PCAF asset classes:*
 - *Asset Class 1 ("AC1"): Listed equity and corporate bonds*
 - *Asset Class 2 ("AC2"): Business loans and unlisted equity*
 - *Asset Class 3 ("AC3"): Project finance*
 - *Asset Class 4 ("AC4"): Commercial real estate*
 - *Asset Class 5 ("AC5"): Mortgages*
 - *Asset Class 6 ("AC6"): Motor vehicle loans*
 - *Asset Class 7 ("AC7"): Sovereign debt*
- *Covers all sectors which RHB is exposed to*

- *RHB's 5 High-Impact Sectors are:*
 - *Energy Supply*
 - *Palm Oil*
 - *Oil & Gas*
 - *Property & Construction*
 - *Transport*
- *These sectors represent nearly 60% of our total financial exposure as at 31 December 2022*
- *Above financed emissions represents >80% of total financed emissions baseline as at 31 December 2022*

RHB's Commitment to Net Zero Emissions: Strategic Objectives

Strategic Objective 1

Reduction of financed emissions in 5 high-impact sectors within our business



- **Financed emissions** – GHG emissions arising from RHB Group's business activities
- Sectors are: **Energy Supply, Palm Oil, Oil & Gas, Property & Construction, and Transport**
- Target to achieve **20% financed emission reduction by 2030, and up to 96% reduction by 2050**

Strategic Objective 2

Driving growth in Green Financial Services & Supporting Companies Committed to Carbon Neutrality



- Drive growth in our Green Financial Services ("GFS")
- Support companies that have committed to carbon neutrality, with a clear and established transition strategy in place
- Target to achieve **40% portfolio in Green Financial Services & companies committed to carbon neutrality by 2030, and 90% by 2050**

Strategic Objective 3

Integration of sustainable and low-carbon practices into our own operations



- Intensify efforts across energy efficiency, renewable energy usage, and culture change
- Across Scope 1, Scope 2, and Scope 3 (limited to Business Travel by Road & Air)
- Target to achieve **Carbon Neutral Operations by 2030**

RHB’s Commitment to Net Zero Emissions: Strategic Objectives

Strategic Objective 1

Reduction of financed emissions in 5 high-impact sectors within our business



- **Financed emissions** – GHG emissions arising from RHB Group’s business activities
- **Sectors are: Energy Supply, Palm Oil, Oil & Gas, Property & Construction, and Transport**
- **Target to achieve 20% financed emission reduction by 2030, and up to 96% reduction by 2050**

Strategic Objective 2

Driving growth in Green Financial Services & Supporting Companies Committed to Carbon Neutrality



- *Drive growth in our Green Financial Services (“GFS”)*
- *Support companies that have committed to carbon neutrality, with a clear and established transition strategy in place*
- *Target to achieve 40% portfolio in Green Financial Services & companies committed to carbon neutrality by 2030, and 90% by 2050*

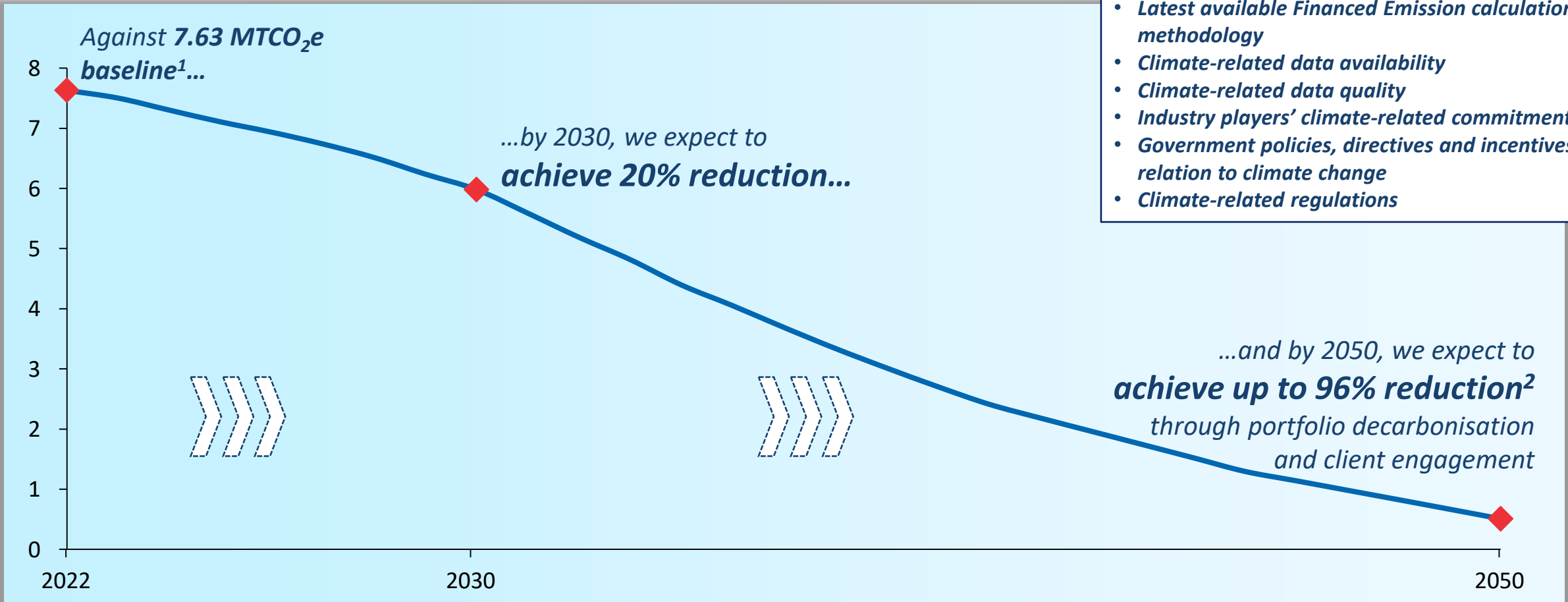
Strategic Objective 3

Integration of sustainable and low-carbon practices into our own operations



- *Intensify efforts across energy efficiency, renewable energy usage, and culture change*
- *Across Scope 1, Scope 2, and Scope 3 (limited to Business Travel by Road & Air)*
- *Target to achieve Carbon Neutral Operations by 2030*

RHB's Aggregated Emissions Trajectory (FY2022 – FY2050, MTCO₂e)



RHB's financed emissions baseline and emissions trajectory to Net Zero by 2050 is dependent on:

- Latest available Financed Emission calculation methodology
- Climate-related data availability
- Climate-related data quality
- Industry players' climate-related commitments
- Government policies, directives and incentives in relation to climate change
- Climate-related regulations

¹7.63 MTCO₂e represents FE baseline for 5 key sectors (>80% of total FE at baseline year)

²Residual emissions remaining by 2050 will be addressed via carbon offsetting

The Group's emissions trajectory and the Group's strategy to achieve Net Zero by 2050 is based on the latest available data and methodology at this time, including in areas such as calculation methodology, data availability, data quality, industry players' climate-related commitments, government policies, directives and incentives in relation to climate change, as well as climate-related regulations. With this in mind, we may further refine, enhance and revise our strategy moving forward. We will closely monitor the developments of the above factors.

Note that some sectors may record an increase in financed emissions in the short-term, before recording an overall reduction in the medium to long-term. This is attributed to the sector's current and gradual transition to net zero, coupled with the maturity and availability of low-carbon technologies. This short-term increase in financed emissions may be reflected in the Group's overall progress towards our Net Zero commitment moving forward. Nevertheless, we will continue to engage with our clients and support their transition journeys.

Decarbonisation Approach for 5 High-Impact Sectors:

Energy Supply, Palm Oil, Oil & Gas, Property & Construction, and Transport



Accelerating clients' decarbonisation journey

Engaging existing clients across 5 high-impact sectors to catalyse their decarbonisation journeys



Mobilising transition finance

Enabling sustainable transformation for clients facing challenges in reducing their carbon footprint



Employing asset replacement

Replacement of brown assets to green assets, to offset financed emissions from our existing exposures

*We will also leverage progress and development of **government policies, directives and incentives, regulatory requirements towards low-carbon transition and industry players' climate-related commitments.***

RHB’s Commitment to Net Zero Emissions: Strategic Objectives

Strategic Objective 1

Reduction of financed emissions in 5 high impact sectors within our business



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- *Sectors are: Energy Supply, Palm Oil, Oil & Gas, Property & Construction, and Transport*
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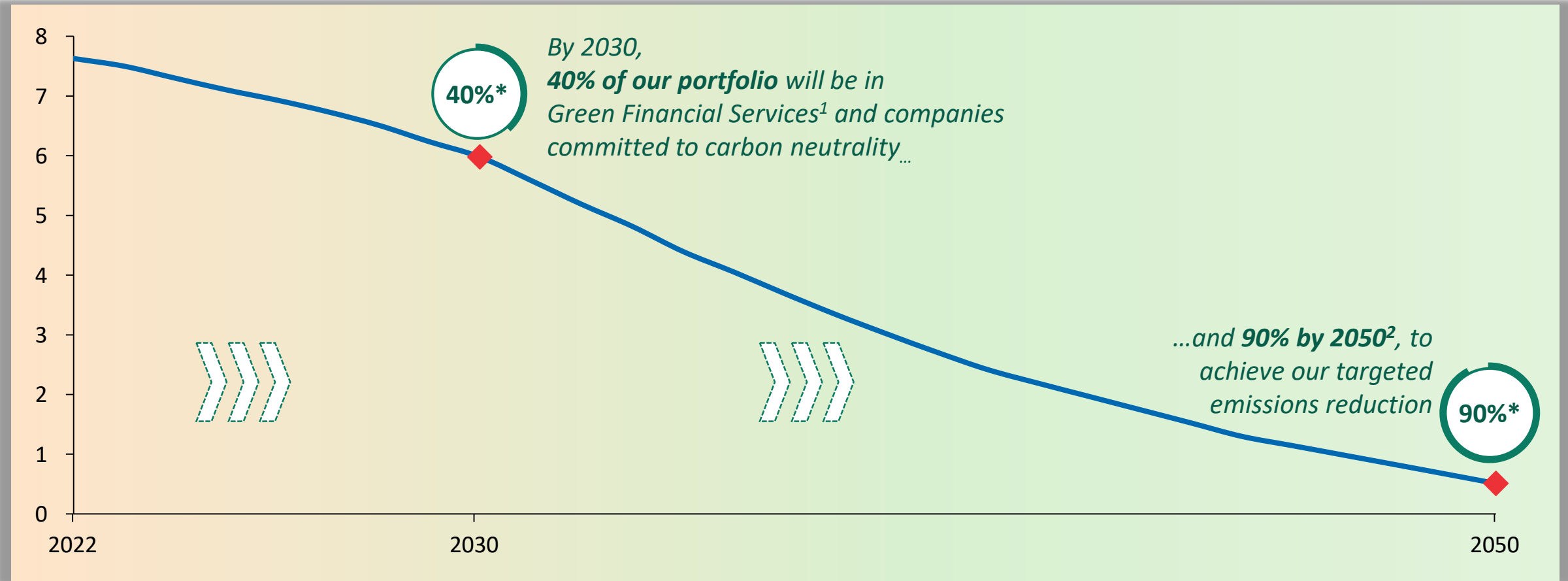
Strategic Objective 3

Integration of sustainable and low-carbon practices into our own operations



- *Intensify efforts across energy efficiency, renewable energy usage, and culture change*
- *Across Scope 1, Scope 2, and Scope 3 (limited to Business Travel by Road & Air)*
- *Target to achieve Carbon Neutral Operations by 2030*

RHB's Target Portfolio Composition Towards Net Zero by 2050
Comparison against Aggregated Emissions Trajectory (FY2022 – FY2050, MTCO₂e)



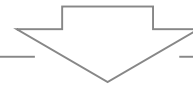
* Denotes total percentage of Group's portfolio in Green Financial Services and companies committed to carbon neutrality

¹ Green Financial Services covers lending/financing and investment, and must contribute towards emissions reduction.

² Remaining proportion of the Group's portfolio will be in other assets, which may include some brown assets.

Target:

40% of RHB’s portfolio in Green Financial Services and companies committed to carbon neutrality by 2030, and 90% by 2050



Conduct targeted client engagements



- *Segmented clients based on climate maturity levels (Tier 1,2 and 3)*
- *Developed detailed sectorial playbooks for our Relationship Managers, onboarded ESG specialists*

Leverage government policies and incentives



- *Supporting policies include National Energy Transition Roadmap (“NETR”), Hydrogen Economy & Technology Roadmap (“HETR”), and New Industrial Master Plan 2030 (“NIMP 2030”)*

Support clients in hard-to-abate sectors



- *Focus on transition financing for clients in high-emission sectors*
- *Provide support for clients that have committed to carbon neutrality by 2030*

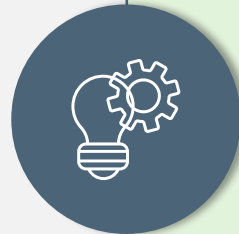
Conduct targeted client engagements



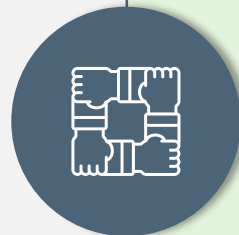
- **Segmented clients** based on climate maturity levels (Tier 1,2 and 3)



Tier 1 (Advance)
Support and align with clients' decarbonisation journey



Tier 2 (Moving Towards)
Monitor our clients and focus on financing to transition

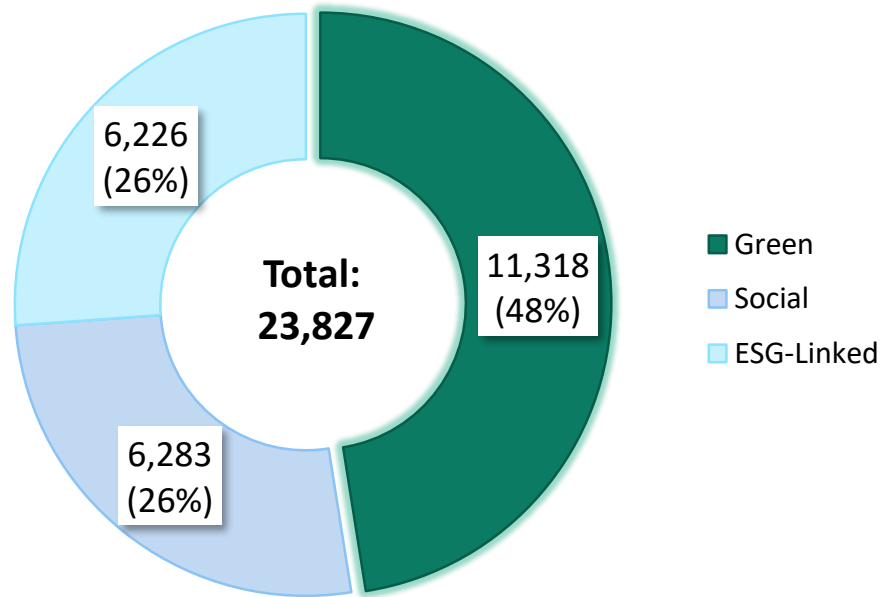


Tier 3 (In Need)
Advisory, awareness and capability-building on climate change

- Mostly Corporate, Commercial and Overseas/Regional clients
- Engagements will focus on:
 - **Identifying** clients' emissions target and transition plan
 - **Understanding** and supporting their decarbonisation needs
 - **Monitoring** clients' performance against transition plan

- Primarily SMEs
- Engagements will focus on:
 - **Awareness, knowledge sharing, tools and solutions needed** towards transition to greener practices
 - **Green Financing Solutions** to meet customers' financial needs

Cumulative Sustainable Financial Services Achievement
 July 2021 – December 2023 (RM million)

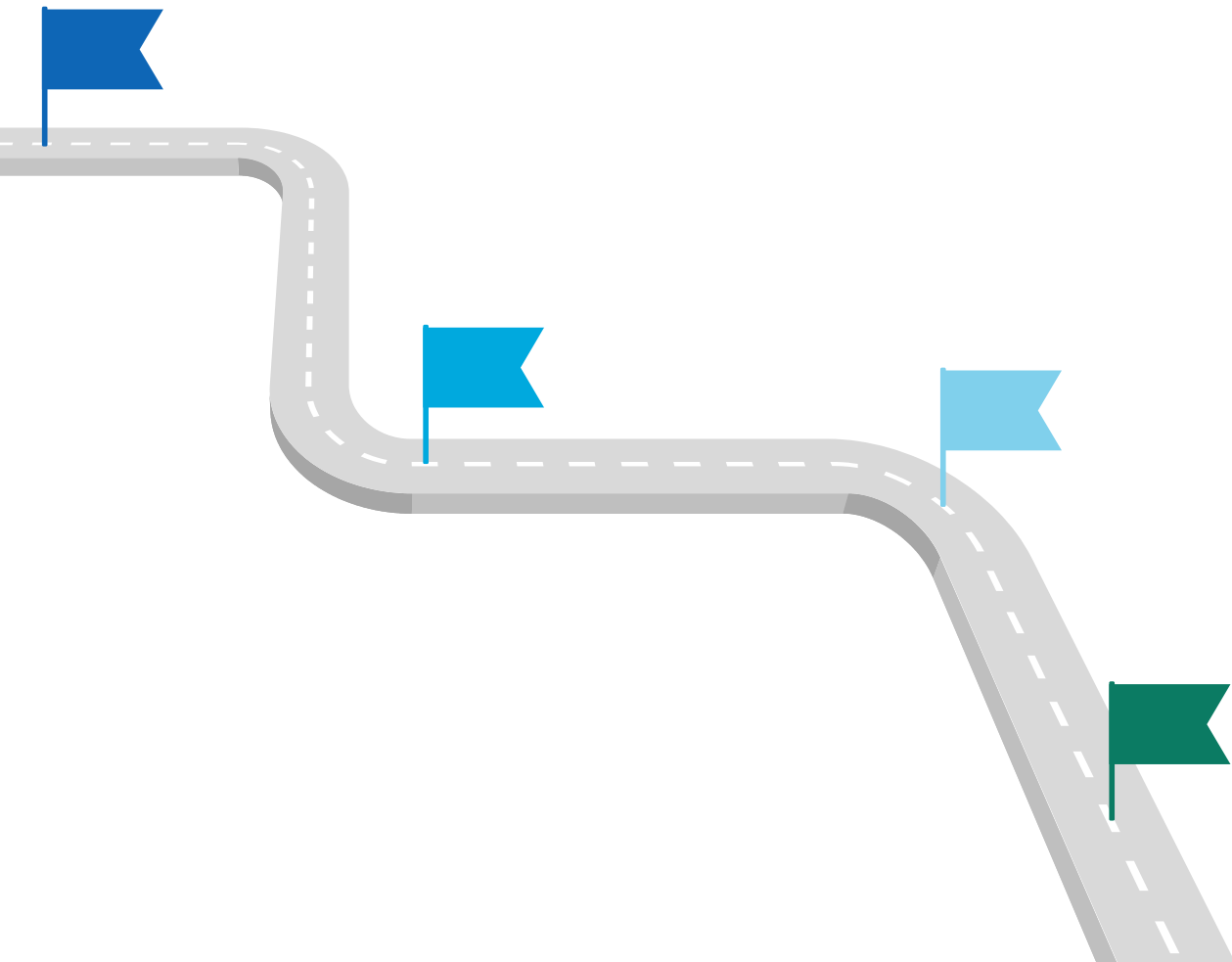


Driving just and responsible low-carbon transition

Supporting the national agenda, e.g. National Energy Transition Roadmap (“NETR”), with sector-specific strategies

Energy Supply	<ul style="list-style-type: none"> • Renewable energy generation/RE zone • Carbon Capture, Utilisation and Storage (“CCUS”) • Hydrogen • Power plant conversion
Palm Oil	<ul style="list-style-type: none"> • Sustainable palm oil certification • Biogas capture and utilisation • Renewable energy generation • Bioenergy
Oil & Gas	<ul style="list-style-type: none"> • Renewable energy generation • CCUS • Green hydrogen
Property & Construction	<ul style="list-style-type: none"> • Energy efficiency improvements • Decarbonising materials • Green building certification • Renewable energy integration
Transport	<ul style="list-style-type: none"> • Efficiency improvement • Electric / green mobility • EV infrastructure • Alternative fuels

RHB is committed to transitioning our customers towards sustainable practices



“Advancing SMEs Towards Sustainable Business Practices” is one of the focus areas under the Sustainable and Responsible Finance pillar of the Group’s Sustainability Strategy and Roadmap.

SMEs play a pivotal role in the global and national economy, and **their adoption of sustainable practices can have a significant social, economic and environmental impacts.**

While larger companies have been able to progressively integrate ESG into their business, **many SMEs struggle in their journey to do the same, due to a lack of technical skills, knowledge and capital.**

Collaboration with Strategic Partners and Solution Providers

- *Focus: Enabling SMEs to access resources and expertise essential for sustainable business practices.*

- RHB embarked on a **landmark collaboration with TNB in FY2023, to engage SMEs across Malaysia** and promote sustainable business practices
 - In Nov 2023, reached out to over 200 SMEs in our first SME engagement roadshow.
 - In FY2024, to conduct another 9 engagements with SMEs across Malaysia.
- RHB conducted **numerous ESG roadshows benefitting >800 SMEs in FY2023**, through collaboration with industry associations in the retail, electrical & electronics, and manufacturing sectors.

Capacity Building and Advocacy for SMEs

- *Focus: Empowering SMEs to integrate sustainability into their business practices and operations.*

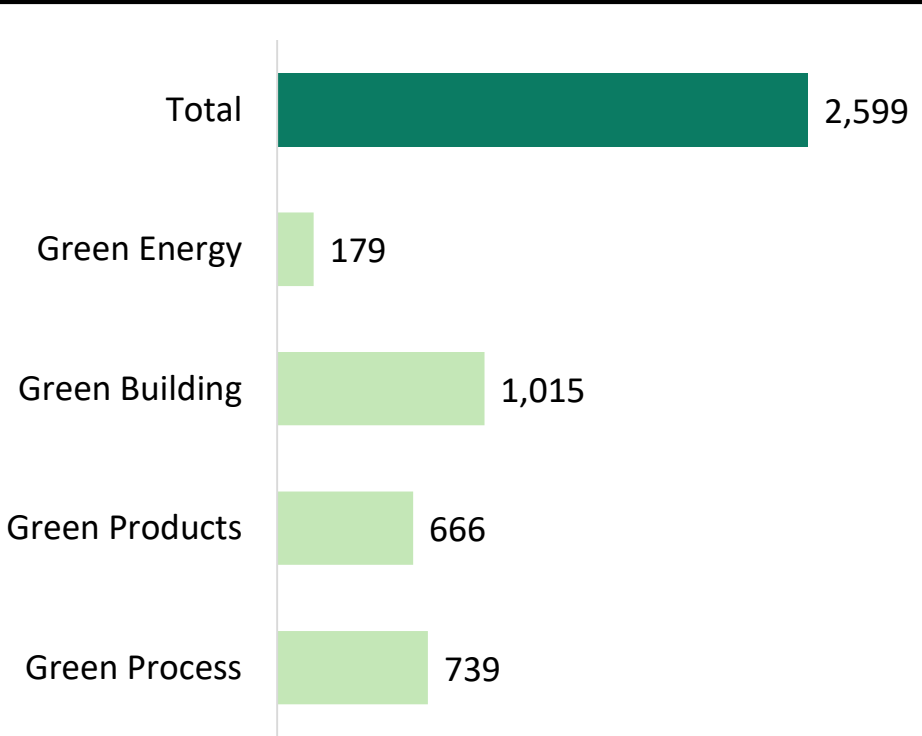
- Catalysing adoption of sustainable practices through targeted initiatives that seek to enhance the skills and capabilities of SMEs
- Supporting SMEs to build climate resilience, so that they can adapt to the challenges posed by climate change
- RHB is a member of the JC3 SME Focus Group to enhance awareness, build capacity, promote green certification and facilitate data disclosures by SMEs

Providing SME-specific Sustainable Financial Services

- *Focus: Addressing SMEs' sustainable finance needs to accelerate their transition.*

- The SME Green Financing Solutions offer a suite of green products to meet SMEs' financing needs for the low-carbon transition
- The Group also mobilises financing through BNM's Low Carbon Transition Facility ("LCTF") for SMEs, **mobilising RM258.80 million in FY2023**

SME Sustainable Financing Programme, Cumulative Achievement, September 2021 (since launch) – December 2023 (RM million)



RHB's SME Green Financing Schemes

Supporting SMEs' transition towards green practices

	Pillar 1 <i>SME Green Renewable Energy Financing</i>	Pillar 2A <i>SME Green Construction Financing</i>	Pillar 2B <i>SME Green Commercial Property Financing</i>	Pillar 3 <i>SME Green CAPEX Financing (Equipment & Machinery)</i>	Pillar 4 <i>SME Green Working Capital Financing</i>
Purpose	For purchase of renewable energy equipment i.e. installation, operations and maintenance of solar panel	For construction of green certified and sustainable building	For purchase of green certified and sustainable building	For purchase of energy efficient equipment and machinery	For purchase of sustainable materials/ products & consultation services
Tenure	Up to 10 years	Up to 20 years	Up to 25 years	Up to 10 years	Up to 10 years
Pricing¹	As low as 4.38% p.a.	As low as BLR/ BFR – 2.80% p.a.	As low as BLR/ BFR – 2.80% p.a.	As low as 4.50% p.a.	As low as 4.50% p.a.
Margin of Financing¹	Up to 100%	Up to 90%	Up to 90%	Up to 90%	Up to 100%

¹Terms and Conditions apply.

RHB’s Commitment to Net Zero Emissions: Strategic Objectives

Strategic Objective 1

Reduction of financed emissions in 5 high impact sectors within our business



- **Financed emissions** – GHG emissions arising from RHB Group’s business activities
- Sectors are: **Energy Supply, Palm Oil, Oil & Gas, Property & Construction, and Transport**
- Target to achieve **20% financed emission reduction by 2030, and up to 96% reduction by 2050**

Strategic Objective 2

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Strategic Objective 3

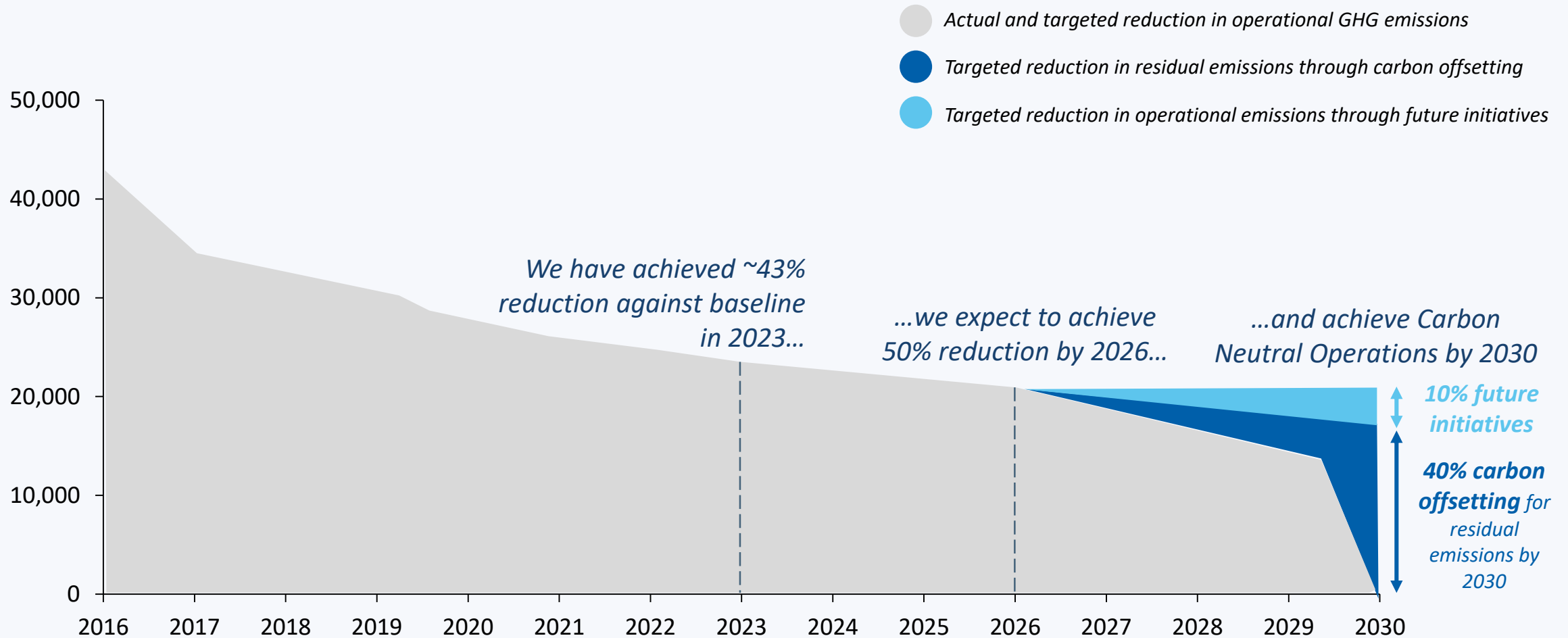
Integration of sustainable and low-carbon practices into our own operations



- Intensify efforts across energy efficiency, renewable energy usage, and culture change
- Across Scope 1, Scope 2, and Scope 3 (limited to Business Travel by Road & Air)
- Target to achieve **Carbon Neutral Operations by 2030**

Projected Operational GHG Emissions Trajectory (FY2016 – FY2030, tCO₂e)

Towards Carbon Neutral Operations by 2030

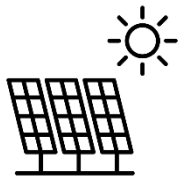


1

RENEWABLE ENERGY

Install **solar panels** across our locations:

- **20 branches completed**, 10-15 in assessment stage
- RHB Complex Bangi



2

ENERGY EFFICIENT BUILDINGS

Initiatives include:

- Transition to **LED lighting**
- Replacement of old, less efficient air-conditioning units
- Upgrade of **Building Automation System (BAS)**



3

CULTURE CHANGE

Continue with **energy-saving campaigns** to create awareness and inculcate sustainability practices among RHB staff



4

CARBON OFFSETS

Offsets planned from 2026 onwards, via **Nature Based Solutions and/or Carbon Credit purchase** from clients or carbon exchange



RHB to achieve Carbon Neutral Operations by 2030



Frameworks, Policies & Guidelines

Establishing clear direction towards our Net Zero Strategy

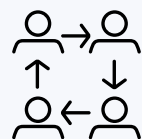
Includes the Group Climate Risk Management Framework & Policy, and Sustainable Finance Framework & Guidelines (in development)



Governance & Structure

Ensuring robust oversight of our journey towards Net Zero by 2050

The Board Sustainability Committee is supported at Management-level by the Group Sustainability Committee



People & Process

Uplifting organisational capabilities to deliver upon our climate commitments

In FY2023, we rolled out the Sustainability Capability Building Framework and appointed Sustainable Finance sector specialists



Strategic Partnerships

Collaboration with industry partners to drive the low-carbon transition

Includes our partnership with TNB, industry associations and platforms such as the JC3

3

Closing Remarks

- ◆ *Increase our Sustainable Financial Services commitment to RM50 billion by 2026, including driving green financial services to achieve Net Zero by 2050*

- ◆ *Embed our Net Zero commitment as part of RHB Sustainability Strategy and Roadmap's core pillars*

- ◆ *In FY2023, we established our **Financed Emissions baseline**:*
 - RHB's total financed emissions baseline as at 31 December 2022: **9.26 MTCO₂e**
 - RHB's 5 High-Impact sectors are:
 - Energy Supply
 - Palm Oil
 - Oil & Gas
 - Property & Construction
 - Transport
 - Financed emissions baseline for 5 High-Impact sectors: **7.63 MTCO₂e**

2030 & 2050 Targets

Key Focus Areas

RHB Group is committed to achieving Net Zero by 2050

***But, our journey to achieve Net Zero
cannot be achieved alone***

RHB invites our clients, business partners, employees, and the broader community to embark on our Net Zero Journey together

4

Awards and
Recognition

Awards and Recognition for RHB's Sustainability efforts

RHB's Sustainability Awards (2023)

The Edge ESG Awards 2023 (Silver) – Financial Institutions

RHB Bank Berhad

The Asset Triple A Islamic Finance Awards 2023 – Best in Sustainable Finance

RHB Investment Bank

Star Media Group, ESG Positive Impact Awards (Silver) – Energy Efficiency

RHB Bank Berhad

The Asset Triple A Islamic Finance Awards 2023 – Best Sustainability-linked Sukuk (Malaysia)

RHB Investment Bank

National Energy Awards 2023, Sustainable Energy Financing (Domestic & Islamic Bank)

RHB Bank Berhad

The Edge Malaysia ESG Awards 2023, Best Fund Based on Asset Class – Allocation (Gold), for RHB ESG Multi-Asset Fund RM-Hedged

RHB Asset Management

The Edge Billion Ringgit Club 2023, Best Corporate Responsibility Initiative

RHB Bank Berhad

Citywire Asia ASEAN Awards 2022/23, Best Sustainable Investments – Best Solutions

RHB Asset Management

RHB's ESG Ratings (2023)



FTSE4Good

FTSE4Good: Rated as Top 25% by ESG ratings among public listed companies in the FTSE Bursa Malaysia EMAS Index

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

MSCI ESG Ratings: Maintained AA (Leader) rating in the MSCI ESG Ratings

S&P Global
Ratings

S&P Global CSA: 42/100

THANK YOU

www.rhbgroup.com



For further details on RHB's commitment to Net Zero by 2050, please refer to our Sustainability Report 2023



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